

Department of Planning and Budget 2008 Fiscal Impact Statement

1. Bill Number: HB936H1

House of Origin ___ Introduced X Substitute ___ Engrossed
Second House ___ In Committee ___ Substitute ___ Enrolled

2. Patron: Gilbert

3. Committee: Education

4. Title: **Local composite index; number of students.**

5. Summary: Local composite index; number of students. Increases from 350 to 1,100 the maximum number of students allowed for a school division that has a local composite index of .6000 or greater and has sixty-five percent or more of its local taxes coming from real estate taxes to qualify to have its state share of aid adjusted, based on a cost-sharing agreement with a neighboring school division.

6. Fiscal Impact Estimates: Preliminary

6a. Expenditure Impact:

| <i>Fiscal Year</i> | <i>Dollars</i> | <i>Positions</i> | <i>Fund</i> |
|--------------------|----------------|------------------|-------------|
| 2009-2010 | No impact | | |
| 2011 | 226,240 | | GF |
| 2012 | 233,027 | | GF |
| 2013 | 260,990 | | GF |
| 2014 | 268,820 | | GF |

7. Budget Amendment Necessary: No.

8. Fiscal Implications: The Department of Education (DOE) has been advised that Rappahannock County is the only school division affected by HB 936H1; this is in addition to Highland County, which is already receiving payments under § 22.1-98.2. DOE is researching data from the Auditor of Public Accounts to verify that no other school divisions would be impacted. Using the one county assumption and the potential for a cost-savings agreement between Rappahannock County and Culpeper County, DOE estimated the state share of cost to supplement Basic Aid for Rappahannock using Culpeper's composite index is approximately \$146,000 in year 1 and \$202,000 in year 2, based on HB 30. Please note that HB 936H1 would be effective beginning in FY 2011, and these estimates are based on costs and composite indices from the 2008-2010 biennium. In addition, this estimate includes Basic Aid only, per the bill language.

The estimated state share of costs for this bill would be approximately \$226,240 in FY 2011, \$233,027 in FY 2012, \$260,990 in FY 2013, and \$268,820 in FY 2014, based on HB/SB 30 and using 12 percent inflation for 2011 and 2013 and 3 percent for 2012 and 2014.

9. Specific Agency or Political Subdivisions Affected: Board of Education , local school divisions.

10. Technical Amendment Necessary: No.

11. Other Comments: Similar to SB559.

Date: 2/11/2008 dpb

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c: Secretary of Education